

# Beal School Building Project Update

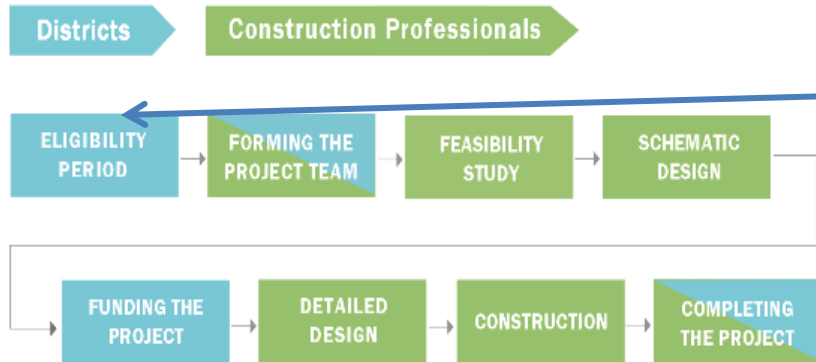
November 9, 2016

# Building with the MSBA

- Eight Modules in the process

## MSBA Building Process

*Steps primarily for:*



- The Beal Project is in the Eligibility Period-Module 1 and on the cusp of moving into Module 2: Forming the Project Team

# Topics

- MSBA Module 1: Eligibility Period
  - Commenced April 13, 2016
  - Concludes January 9, 2017
  - 270 day limit to complete all required items
  - Funding required for a Feasibility Study to progress to Modules 2 and 3
- Milestones Progress
- Enrollment Certification
- Financing the Feasibility Study
- Frequently Asked Questions [FAQ]

# Milestones Progress

Deliverable	Deadline	Status
Initial Compliance Certification	May 13, 2016	
School Building Committee	June 13, 2016	
Educational Profile Questionnaire	July 12, 2016	
Online Enrollment Projection	July 12, 2016	
Enrollment/Certification Executed	October 11, 2016	
Maintenance and Capital Planning Information	October 11, 2016	
Local Vote Authorization	No Later than January 9, 2017	Dec. 5, 2016 Special Town Meeting
Feasibility Study Agreement [with MSBA]	January 9, 2017	MSBA Board meeting is 2/15/2017

# Enrollment Certification

- The MSBA has made their own independent 10-year enrollment projection of our K-4 enrollment
  - 2025-2026 projected student population of 2,320 for K-4
  - 10/1/2016 actual K-4 enrollment was 2,189
- MSBA projection was based upon:
  - Historical/actual enrollment
  - Expected student growth with housing projects in planning pipeline
  - “Sensitivity analysis” that indicates fewer children migrate out of district when a community builds a new school

# Enrollment Certification

- See Enrollment Certification Study Agreement
- Feasibility Study Phase will include
  - Evaluation of capacity at other elementary schools
  - Evaluation of continued use of existing site or a new site
  - A kindergarten through grade 1 school of 750 seat capacity [current grade configuration]
  - A kindergarten through grade 4 school of 790 seats [requires redistricting]

# Local Vote Authorization

- MSBA requires that a community appropriate sufficient funding for a Feasibility Study [FS] prior to their board of directors entering into a Feasibility Study Agreement with a local community.
- Building Committee will make recommendation of amount of funding for the FS based upon comparative data provided by MSBA for similar type/size projects.
- **FS expenses are reimbursable by MSBA** at same overall rate for project—now at 50.16%
- A Special Town Meeting is planned for December 5, 2016 in order to meet MSBA timeline restrictions in the Eligibility Phase.

# Feasibility Study Financing

- Bond Anticipation Note [BAN]
  - Temporary, short-term, note typically used in these types of capital projects
  - As an example, a \$1.2M note for one year would having an interest rate of 1% would have a Net Interest Charge [NIC] of \$12,000



# Feasibility Study Financing

- Projected permanent financing of a \$1.2M note
  - Assuming full use of the \$1.2M appropriation and 50% reimbursement by MSBA leaves borrowing of \$600,000 with projected impact below for a 10-year note
  - Borrowed within the Levy Limit

Permanent Financing Model <i>[Projected]</i>					
Year	Principal	Interest	Total	Tax Rate Impact*	Impact on Average Residential Taxpayer**
1	\$ 60,000	\$ 24,000	\$ 84,000	\$0.02	\$6.44
2	\$ 60,000	\$ 21,600	\$ 81,600	\$0.02	\$6.26
3	\$ 60,000	\$ 19,200	\$ 79,200	\$0.02	\$6.07
4	\$ 60,000	\$ 16,800	\$ 76,800	\$0.01	\$5.89
5	\$ 60,000	\$ 14,400	\$ 74,400	\$0.01	\$5.70
6	\$ 60,000	\$ 12,000	\$ 72,000	\$0.01	\$5.52
7	\$ 60,000	\$ 9,600	\$ 69,600	\$0.01	\$5.34
8	\$ 60,000	\$ 7,200	\$ 67,200	\$0.01	\$5.15
9	\$ 60,000	\$ 4,800	\$ 64,800	\$0.01	\$4.97
10	\$ 60,000	\$ 2,400	\$ 62,400	\$0.01	\$4.78

# Questions?